

ADVANCE SUPPLEMENTARY REPORT
TO THE PLANNING COMMITTEE
13th May 2015

Agenda item 5

Application ref. 14/00968/FUL

Former TG Holdcroft, Knutton Road, Wolstanton

Since the preparation of the agenda report the comments of the **Waste Management Section** have been received. They approve in principle to the layout of the scheme subject to full and precise details of the recyclable materials and refuse receptacles and the collection arrangements.

The **applicant's agent** has very belatedly submitted a viability assessment that indicates that the development would not be viable with affordable housing or any Section 106 contributions. As a material consideration this has not been raised before. In addition, the agent is putting forward a case that if it is concluded that the scheme can afford to provide affordable housing, it should be via an **off-site** financial contribution as there are fundamental difficulties in accommodating affordable housing on-site with private retirement housing. In summary, the reasons for this they say are as follows:

- The specialised communal living environment results in the payment of a service charge by the residents. It would be very difficult to set the service charge at a level that would cover the costs of the type of management that private purchasers expect, yet would be still affordable to residents of affordable housing. It would also be difficult for the affordable housing provider to guarantee payment of a service charge in perpetuity that would be liable to change on an annual basis.
- There would be significant potential for friction and animosity between those residents who pay a significant annual service charge for premium services and those who would occupy low cost or heavily subsidised apartments but have use of the same services.
- If attempts are made to try and overcome management, maintenance and service charge issues by splitting the site to have separate blocks for the sheltered and affordable accommodation, this introduces further issues. The size of the site and its physical constraints are such that a separate block of affordable housing with access, parking and amenity space, would reduce the size of the sheltered block by such a degree to make it unviable and inefficient. The significant reduction in sheltered units would mean that fewer elderly purchasers would have to share the fixed cost of the communal facilities and make the market sheltered scheme even more unviable.
- The provision of a commuted sum for off-site affordable housing would lead to more appropriate and acceptable housing layouts for both the sheltered and affordable provision.

The Council's policy as set out in its Affordable Housing SPD is that it will seek to ensure that affordable housing is provided on site in the first instance and that "*only in very particular, agreed circumstances will either another site, or payment in lieu of on-site provision be considered as an acceptable alternative*". The NPPF, whilst superseding the government guidance taken into account when the SPD was drawn up, does indicate that where affordable housing is needed, the presumption should be for on-site provision *unless either off-site provision (i.e. provision on another site) or a financial contribution of broadly equivalent value can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities*.

The on-site/ off-site issue is however really secondary – the fundamental point now being made by McCarthy and Stone's agents is that neither can be financially supported by this scheme.

Given the lateness of the submission of the information relating to viability it has not been possible to obtain an independent assessment and as such it is not possible, at this time, to advise whether the applicant's conclusions are correct. Similarly your officers have not had the opportunity to consider whether a financial contribution is indeed "robustly justified" and such an approach "contributes to the objective of creating mixed and balanced communities".

Taking into account both the importance of timeliness in making planning decisions (the application is already at week 9), and the importance of the LPA dealing with applications in a positive and proactive manner and of boosting significantly the supply of housing, it is considered that the appropriate step for the Committee would be to defer a decision on the application. The purpose of such a deferment would be threefold –

Firstly to allow time officers to consider the merits of the agent's case against on-site provision, secondly for the obtaining of an independent calculation of what would that financial contribution would actually need to be, and thirdly to assess the scheme's ability in financial terms to make policy compliant affordable housing and open space contributions.

Members do however need to note that there is no guarantee that independent advice (from the District Valuer) would be available by the time of the meeting on the 26th June. In practical terms it is much more likely that this advice will not be available until the following meeting on the 23rd June. In the circumstances it would be entirely reasonable to expect the applicant to agree to extend the statutory period until at least that date, bearing in mind that it is their tardiness in making such a submission which has caused, and such an agreement will be sought before the meeting on the 13th.

Accordingly your Officer is now recommending that a decision on the application be deferred for the above reasons.